

FCC MAIL SECTION
Federal Communications Commission

DA 97-790

APR 22 10 42 AM '97

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Ameritech's Plan to Provide)
Comparably Efficient Interconnection)
To Providers of Pay Telephone Services)
)
Implementation of the Pay Telephone)
Reclassification and Compensation)
Provisions of the Telecommunications)
Act of 1996)

CC Docket No. 96-128

ORDER**Adopted: April 15, 1997****Released: April 15, 1997**

By the Deputy Chief, Common Carrier Bureau:

TABLE OF CONTENTS

	<u>Paragraph</u>
I. INTRODUCTION	1
II. BACKGROUND	3
III. SERVICE DESCRIPTION	6
IV. COMPLIANCE ISSUES	7
A. CEI Plan Requirements	7
B. Other Nonstructural Safeguards	47
C. Accounting Safeguards	56
D. Other Issues	57
V. CONCLUSION	86
VI. ORDERING CLAUSE	87

I. INTRODUCTION

1. On November 27, 1996, pursuant to the requirements of the Commission's orders in the payphone rulemaking proceeding,¹ Ameritech filed a comparably efficient interconnection (CEI) plan for payphone service.² In that proceeding, the Commission directed each Bell Operating Company (BOC) to file an initial CEI plan describing how it will comply with the Commission's Computer III³ CEI equal access parameters and nonstructural safeguards for the provision of payphone services.⁴ BOCs must make available on a nondiscriminatory basis the regulated basic services they provide to independent payphone service providers (PSPs) and to the BOCs' own payphone operations to provide payphone services.⁵

2. The Commission issued a public notice of Ameritech's CEI plan on December 4, 1996.⁶ On January 3, 1997, four parties filed comments opposing the plan.⁷ Ameritech,

¹ Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order, FCC 96-388 (rel. Sept. 20, 1996) (Payphone Order), appeal docketed sub nom., Illinois Public Telecommunications Assn. v. FCC and United States, Case No. 96-1394 (D.C. Cir., filed Oct. 17, 1996), recon., FCC 96-439 (rel. November 8, 1996) (Reconsideration Order); Order, DA 97-678 (Common Carrier Bur. rel. April 4, 1997) (Clarification Order).

² Ameritech's Plan to Provide Comparably Efficient Interconnection to Providers of Pay Telephone Services (filed November 27, 1996) (Payphone CEI Plan).

³ Amendment of Section 64.702 of the Commission's Rules and Regulations, CC Docket No. 85-229, Phase I, 104 FCC 2d 958 (1986) (Phase I Order), recon., 2 FCC Rcd 3035 (1987) (Phase I Reconsideration Order), further recon., 3 FCC Rcd 1135 (1988) (Phase I Further Reconsideration Order), second further recon., 4 FCC Rcd 5927 (1989) (Phase I Second Further Reconsideration), Phase I Order and Phase I Reconsideration Order vacated, California v. FCC, 905 F.2d 1217 (9th Cir. 1990) (California I); Phase II, 2 FCC Rcd 3072 (1987) (Phase II Order), recon., 3 FCC Rcd 1150 (1988) (Phase II Reconsideration Order), further recon., 4 FCC Rcd 5927 (1989) (Phase II Further Reconsideration Order), Phase II Order vacated, California I, 905 F.2d 1217 (9th Cir. 1990); Computer III Remand Proceedings, 5 FCC Rcd 7719 (1990) (ONA Remand Order), recon., 7 FCC Rcd 909 (1992), pets. for review denied, California v. FCC, 4 F.3d 1505 (9th Cir. 1993) (California II); Computer III Remand Proceedings: Bell Operating Company Safeguards and Tier 1 Local Exchange Company Safeguards, 6 FCC Rcd 7571 (1991) (BOC Safeguards Order), recon. dismissed in part, Order, CC Docket Nos. 90-623 & 92-256, FCC 96-222 (rel. May 17, 1996); BOC Safeguards Order vacated in part and remanded, California v. FCC, 39 F.3d 919 (9th Cir. 1994) (California III), cert. denied, 115 S.Ct. 1427 (1995) (referred to collectively as the Computer III proceeding).

⁴ Payphone Order, at para. 202.

⁵ Id. at paras. 146, 200-204.

⁶ Pleading Cycle Established for Comments on Ameritech's Comparably Efficient Interconnection Plan for Payphone Service Providers, Public Notice, CC Docket No. 96-128, DA 96-2025 (rel. Dec. 4, 1996).

APCC and AT&T submitted reply comments on January 17, 1997. For the reasons discussed below, we approve Ameritech's CEI plan.

II. BACKGROUND

3. The payphone rulemaking proceeding implemented section 276 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (1996 Act).⁸ Section 276 directed the Commission to prescribe a set of nonstructural safeguards for BOC payphone service to implement the statute's requirements that any BOC: (1) shall not subsidize its payphone service directly or indirectly from its telephone exchange or exchange access service operations; and (2) shall not prefer or discriminate in favor of its payphone service.⁹ The 1996 Act provided that such safeguards must, at a minimum, include the nonstructural safeguards adopted in the Computer III proceeding.¹⁰

4. In the Payphone Order, the Commission determined that the Computer III and Open Network Architecture (ONA)¹¹ nonstructural safeguards would "provide an appropriate regulatory framework to ensure that BOCs do not discriminate or cross-subsidize in their provision of payphone service."¹² Accordingly, the Commission required the BOCs to file "CEI plans describing how they will comply with the Computer III unbundling, CEI parameters, accounting requirements, CPNI requirements as modified by section 222 of the

⁷ Comments of the American Public Communications Council on Ameritech's CEI Plan (APCC Comments); Objections of the Great Lakes Public Communications Regional Coalition (Great Lakes) to Ameritech's Alleged Plan to Provide Comparably Efficient Interconnection to Providers of Pay Telephone Service (Great Lakes Comments); Comments of the Inmate Calling Service Providers Coalition on Ameritech's CEI Plan (ICSPC Comments); AT&T's Comments on Ameritech's Comparably Efficient Interconnection Plan (AT&T Comments).

⁸ 47 U.S.C. § 276.

⁹ 47 U.S.C. § 276(b)(1)(C).

¹⁰ 47 U.S.C. § 276(b)(1)(C).

¹¹ See Filing and Review of Open Network Architecture Plans, 4 FCC Rcd 1 (1988) (BOC ONA Order), recon., 5 FCC Rcd 3084 (1990) (BOC ONA Reconsideration Order); 5 FCC Rcd 3103 (1990) (BOC ONA Amendment Order), erratum, 5 FCC Rcd 4045, pets. for review denied, California v. FCC, 4 F.3d 1505 (9th Cir. 1993), recon., 8 FCC Rcd 97 (1993) (BOC ONA Amendment Reconsideration Order); 6 FCC Rcd 7646 (1991) (BOC ONA Further Amendment Order); 8 FCC Rcd 2606 (1993) (BOC ONA Second Further Amendment Order), pet. for review denied, California v. FCC, 4 F.3d 1505 (9th Cir. 1993) (collectively referred to as the ONA Proceeding).

¹² Payphone Order, at para. 199. In addition, the Commission adopted accounting safeguards for BOC and incumbent LEC provision of payphone service on an integrated basis. See Implementation of the Telecommunications Act of 1996: Accounting Safeguards Under the Telecommunications Act of 1996, CC Docket No. 96-150, Report and Order, FCC 96-490, para. 100 (rel. Dec. 24, 1996) (Accounting Safeguards Order).

1996 Act, network disclosure requirements, and installation, maintenance, and quality nondiscrimination requirements."¹³ Obtaining approval of its CEI plan is one of the criteria a BOC must meet before its payphone operations may receive compensation for completed intrastate and interstate calls using a payphone under the new compensation plan established in the payphone proceeding.¹⁴

5. The Payphone Order required BOCs to "provide tariffed, nondiscriminatory basic payphone services that enable independent [payphone service] providers to offer payphone services using either instrument-implemented 'smart payphones' or 'dumb' payphones that utilize central office coin services,¹⁵ or some combination of the two in a manner similar to the LECs."¹⁶ Those tariffs must be filed with the applicable state regulatory commission.¹⁷ Additionally, BOCs must file with the Commission tariffs for unbundled features or functions that are either used by a BOC's payphone affiliate to provide payphone service or offered by the BOC to unaffiliated payphone service providers on an unbundled basis.¹⁸

III. SERVICE DESCRIPTION

6. Ameritech offers two types of payphone service. Customer Owned Pay Telephone Service (COPTS or COPT service) is usually used in connection with "smart"

¹³ Payphone Order, at para. 199. In its notice of proposed rulemaking regarding the CPNI and other customer information provisions of the 1996 Act, the Commission concluded that its previously established CPNI requirements would remain in effect, pending the outcome of that rulemaking, to extent that they do not conflict with the CPNI provisions of the 1996 Act. See Implementation of the Telecommunications Act of 1996: Telecommunication Carriers' Use of Customer Proprietary Network Information and Other Customer Information, CC Docket No. 96-115, 11 FCC Rcd 12513, 12529 (1996) (CPNI NPRM).

¹⁴ Reconsideration Order, at para. 132. In addition to an approved CEI plan, in order to receive compensation, the Reconsideration Order requires that "a LEC must be able to certify the following: (1) it has an effective cost accounting manual ("CAM") filing; (2) it has an effective interstate CCL tariff reflecting a reduction for deregulated payphone costs and reflecting additional multiline subscriber line charge ("SLC") revenue; (3) it has effective intrastate tariffs reflecting the removal of charges that recover the costs of payphones and any intrastate subsidies; (4) it has deregulated and reclassified or transferred the value of payphone customer premises equipment ("CPE") and related costs as required in the [Payphone Order]; (5) it has in effect intrastate tariffs for basic payphone services (for "dumb" and "smart" payphones); and (6) it has in effect intrastate and interstate tariffs for unbundled functionalities associated with those lines." Id. at para. 131.

¹⁵ A "smart" payphone has capabilities programmed into it that perform certain functions, such as rating calls or collecting or returning coins. A "dumb" payphone does not have such capabilities, but must instead rely on central office controls to collect and return coins or perform other functions.

¹⁶ Reconsideration Order, at para. 162.

¹⁷ Id. at paras. 162-63.

¹⁸ Payphone Order, at paras. 146-148; Reconsideration Order, at paras. 162-163; Clarification Order, at para. 8.

payphones, where the payphone is programmed to collect and return coins and rate calls. COPTS or COPT service will also be referred to hereinafter as customer-owned, coin operated telephone or "COCOT" service. Coin Line service offers switch-based coin functionality that works in conjunction with network-controlled "dumb" payphones. These payphones rely on Ameritech's central offices to perform coin control and rating functions. Either service may be ordered as a two-way service or as a one-way originating only service. Both services are provided and maintained by Ameritech and provide access to and from the public switched telecommunications network for long distance and local calling.¹⁹ Ameritech uses Coin Line service in its own public payphone service operations.²⁰

IV. COMPLIANCE ISSUES

A. CEI Plan Requirements

7. The Commission's CEI requirements were originally established in the Computer III proceeding, in which the Commission adopted a regulatory framework to govern the provision of integrated enhanced and basic services by the BOCs.²¹ As applied in the payphone context, the CEI requirements are designed to give independent payphone service providers equal and efficient access to the regulated basic payphone services that the BOCs use to provide their own payphone services. BOCs must also provide payphone services to independent payphone providers on a nondiscriminatory basis as required in the payphone rulemaking proceeding.²² The Commission, in its Computer III proceeding, established nine specific CEI requirements,²³ which are discussed below. Ameritech has described in its submissions how it will satisfy each of these nine requirements. We review below Ameritech's CEI plan with respect to each of these requirements.

¹⁹ Letter from Michael Pabian, Counsel for Ameritech, to William F. Caton, Acting Secretary, Federal Communications Commission (March 19, 1997) (Ameritech Ex Parte).

²⁰ Id. at 2.

²¹ See Phase I Order, 104 FCC 2d at 1026, para. 128. Requiring BOCs to file CEI plans was one of the nonstructural safeguards adopted by the Commission, in lieu of structural separation, to prevent cross-subsidization and discrimination. As a first step in implementing the Computer III framework, the Commission permitted the BOCs, which remained subject to various structural separation requirements, to offer individual enhanced services on an integrated basis following approval of service-specific CEI plans. BOCs were required to describe in their CEI plans: (1) the enhanced service or services to be offered; (2) how the underlying basic services would be made available for use by competing ESPs; and (3) how the BOCs would comply with the other nonstructural safeguards imposed by Computer III. See Phase I Order, 104 FCC 2d at 1034-59, paras. 142-200.

²² See Reconsideration Order, at paras. 163-165..

²³ Phase I Order, 104 FCC 2d at 1039-1043, paras. 154-166.

1. Unbundling of Basic Services

8. The Payphone Order deregulated LEC payphones and classified those payphones as customer premises equipment (CPE).²⁴ In addition to providing tariffed coin service so competitive payphone providers can offer payphone services using either "smart" payphones or "dumb" payphones that utilize central office coin services, a LEC must also tariff unbundled payphone features that the LEC uses or provides on an unbundled basis.²⁵ Moreover, BOCs, but not other LECs, must unbundle additional network elements when requested by payphone providers based on the specific criteria established in the Computer III and ONA proceedings.²⁶

9. The Payphone Order requires BOCs to file CEI plans that explain how they will unbundle basic payphone services.²⁷ Specifically, a BOC must indicate how it plans to unbundle, and associate with a specific rate element in the tariff, the basic services and basic service functions that underlie its provision of payphone service.²⁸ Nonproprietary information used by the BOC in providing the unbundled basic services must be made available as part of CEI.²⁹ In addition, any options available to the BOC in the provision of such basic services or functions must be included in the unbundled offerings.³⁰

10. Ameritech represents that it provides under tariff in all of its states the two types of basic services identified above: (1) Coin Line service for use with "dumb" pay telephone sets; and (2) COPTS service for use with "smart" pay telephone sets.³¹ Ameritech represents that the Coin Line is available to affiliated and unaffiliated PSPs at the same rates, terms and conditions. Ameritech further represents that the Coin Line service is unbundled from other local exchange services. Moreover, according to Ameritech's plan, all options and functions included in the Coin Line service are available to unaffiliated providers on the same basis as they are available to Ameritech's affiliated pay telephone operations. In other words, the Coin Line service provided to unaffiliated PSPs includes all of the features and functions

²⁴ Payphone Order, at para. 142.

²⁵ Payphone Order, at paras. 146-148; Reconsideration Order, at paras. 162-163, 165; Clarification Order, at para. 8.

²⁶ Payphone Order, at para. 148; Reconsideration Order, at para. 165.

²⁷ Payphone Order, at para. 204.

²⁸ Id. (citing Phase I Order, 104 FCC 2d at 1040). See also, Reconsideration Order, at para. 213.

²⁹ Payphone Order, at para. 204 (citing Phase I Order, 104 FCC 2d at 1040).

³⁰ Id. See also, Reconsideration Order at para. 213 (citing Phase I Order at 1040, para. 158).

³¹ Payphone CEI Plan at 3.

that are furnished by the Coin Line service to Ameritech's payphone operations. The Coin Line service includes coin rating, coin supervision, coin control, and call screening.³² Ameritech contends that "the complete unbundling of all individual coin telephone line functionality is not technically feasible."³³ Ameritech claims that these Coin Line features are integrated in the central office hardware and software in such a way that these individual features cannot now be offered separately.³⁴

11. Ameritech represents that it will offer certain payphone features on an individual basis to PSPs for use with either the COPTS or Coin Line service, except as stated below:

900/976 Blocking: This optional service blocks calls placed to services offered on the 900 service access code.

IDDD Blocking: This optional "end user service" blocks 011+ and 10XXXX011+ dialed international calls.

Outgoing Only Service: This optional, non-chargeable service blocks calls that are placed to designated payphones.

Restricted Coin Access (RCA): This optional service allows the coin collecting feature provided by Ameritech's central offices to be disabled during certain hours designated by the PSP. This service is available with Coin Line service only.

Answer Supervision: This optional service provides "off-hook" supervisory signals to a PSP payphone so that the PSP can commence billing when the call placed from the payphone is answered.

Call Screening. This optional service requires operator-assisted calls placed from a payphone to be billed to the called party, a third-party number or a calling card.

Directory Assistance. This optional service provides the PSP's customer with telephone numbers available from Ameritech's Directory Assistance records.

³² Payphone CEI Plan at 4-5. Coin rating provides rates from a table entry in the "Table Operator Position Switch" with which the coin line interfaces in the central office. Coin supervision recognizes and monitors coins being deposited into the payphone set. Coin control provides a signal to allow for the collection or return of coins. Call screening is a function designed to reduce toll fraud by restricting operator assisted calls originating from the payphone from being billed back to the coin line. Id.

³³ Payphone CEI Plan at 4 (emphasis in original).

³⁴ Id.

ProfitMaster. This optional service provides PSPs with coin-box counting, pre-prompting for overtime, time of day restrictions, flexible rating, and local call timing. This service is offered only in conjunction with the COPTS line and is currently offered on a limited basis in Illinois and Michigan.³⁵

In addition, Ameritech represents that it will provide PSPs with toll detail reporting at no charge.³⁶

12. Ameritech represents that it will make available to unaffiliated PSPs additional unbundled services requested pursuant to the existing 120-day ONA process, where such unbundling is feasible. Finally, Ameritech avers that, in any jurisdiction where Ameritech utilizes any new basic services or basic service functions in the provision of its payphone services, those services or functions will also be made available to other PSPs in a nondiscriminatory manner.³⁷

13. APCC contends that Ameritech "has not consistently tariffed 'the basic payphone line' separately from network services and unbundled features."³⁸ Moreover, APCC contends that, under the Reconsideration Order, the charge for the basic payphone line for both Coin Line service and COPT service must be the same "so that the additional charges for network services and unbundled features available only with coin lines can be effectively determined."³⁹ APCC asserts that it is difficult to ensure that payphone services packaged in Ameritech's Coin Line service are not charged at excessive rates when those same services are offered separately with COPTS service.⁴⁰ APCC argues, for example, that call screening apparently is offered without charge as part of the Coin Line service, but is subject to a non-recurring charge in some state tariffs when offered with Ameritech's COPTS service.⁴¹

³⁵ Ameritech Ex Parte at 2-3.

³⁶ Id. In a further ex parte filed on April 10, 1997, Ameritech identified two additional optional features that it has federally tariffed and offers with the Coin Line service, COPTS service or both. These optional features are billed number screening and originating line screening. Letter from Michael S. Pabian, Counsel for Ameritech, to William F. Caton, Acting Secretary, Federal Communications Commission (April 10, 1997) (April 10 ex parte).

³⁷ Payphone CEI Plan at 6.

³⁸ APCC Comments at 5.

³⁹ Id.

⁴⁰ APCC Comments at 5-6.

⁴¹ APCC Comments at 5-6.

14. AT&T argues that Ameritech should further explain why it is unable to unbundle and offer separately the coin supervision, coin control, coin rating and call screening functions that Ameritech will only offer as a package with its coin Line service. AT&T claims that Ameritech's contention that it is not technically feasible to unbundle these services is belied by the fact that Ameritech already offers some of these functionalities on an unbundled basis for its COPTS service, citing Ameritech's tariff in Indiana which offers call screening as an optional feature.⁴² AT&T asserts that the Commission should require Ameritech at least to unbundle and offer under its coin line tariff those features that it currently offers in connection with its COPTS service on an unbundled basis.⁴³ APCC argues that Ameritech offers answer supervision separately in some states but not in others. APCC contends that, if Ameritech is already offering an unbundled service in one state, it must be required to offer it in all the other states in its region as well.⁴⁴

15. Ameritech responds that the Commission did not require LECs to unbundle network elements for payphone services beyond those basic transmission services provided to the BOC's own payphone operations.⁴⁵ It contends that the Commission found that "such unbundling is not necessary to provide payphone services and that to unbundle some features would require substantial cost to make switch changes."⁴⁶

16. We find that Ameritech satisfies the CEI unbundling requirement contained in the payphone rulemaking proceeding. The payphone rulemaking proceeding requires BOCs to offer transmission services that enable unaffiliated PSPs to offer payphone services using either "smart" or "dumb" payphones or to offer inmate calling services.⁴⁷ In addition, consistent with the payphone rulemaking proceeding requirements, BOCs must provide on a tariffed basis the unbundled features and functions they provide to others or to their payphone operations.⁴⁸ Ameritech's plan, as supplemented by its ex parte filings, satisfies those requirements. We note, however, that Ameritech may choose to unbundle additional functions and features, states may require further unbundling, and payphone providers may request additional unbundled features and functions through the ONA 120-day service request

⁴² AT&T Comments at 4-5.

⁴³ Id. at 5.

⁴⁴ APCC Comments at 8.

⁴⁵ Ameritech Reply Comments at 8.

⁴⁶ Id. (citing Payphone Order, at para. 148; Reconsideration Order, at para. 165).

⁴⁷ Payphone Order, at para. 146.

⁴⁸ Reconsideration Order, at para. 146.

process.⁴⁹ Any other unbundled features and functions provided by Ameritech must comply with the tariffing and CEI requirements of the payphone rulemaking proceeding, Computer III and ONA.

17. We reject the commenters' contention that Ameritech must unbundle the coin supervision and other features of its coin line service offering. As noted in the Clarification Order, the Commission's payphone orders "do not require that LECs unbundle more features and functions from the basic payphone line . . . than the LEC provides on an unbundled basis."⁵⁰ In the Clarification Order, we stated that, for example, if a BOC provides answer supervision bundled with the basic payphone line, the BOC is not required either to unbundle that service from its state tariff for payphone service, or to tariff that service at the federal level. If the LEC, however, provides answer supervision separately, on an unbundled basis, either to affiliated or unaffiliated PSPs, the LEC must tariff that feature in both the state and federal jurisdictions.⁵¹ Because Ameritech offers and will use the features and functions associated with its coin line service offering as a package, it need not unbundle the individual features that comprise that service in its CEI plan. Moreover, as described in paragraph 11 above, Ameritech will offer certain optional payphone services, such as answer supervision, on an unbundled basis to PSPs. Independent payphone providers may seek further unbundling by making a request pursuant to the ONA process.⁵²

18. We also reject APCC's contention that, if Ameritech offers an unbundled service in one state, it is required to offer the service on an unbundled basis in all of the states it serves. As noted, any payphone feature that a BOC uses on an unbundled basis in a state must be offered to independent PSPs in that state. Except as required pursuant to the

⁴⁹ Clarification Order, at para. 8, n. 23.

⁵⁰ Clarification Order, at para. 8 (citing Payphone Order at para. 148; Reconsideration Order, at para. 165).

⁵¹ Clarification Order, at para. 16. That Order clarified that the unbundled features and functions addressed in the Payphone Reclassification Proceeding are network services similar to basic service elements ("BSEs") under the ONA regulatory framework. BSEs are defined as optional unbundled features that an ESP may require or find useful in configuring its enhanced service. *Id.* at para. 17 (citing Filing and Review of Open Network Architecture Plans, Phase I, Memorandum Opinion and Order, FCC 88-381, 4 FCC Rcd 1 (1988) ("BOC ONA Order"). In this case, the unbundled features are payphone-specific, network-based features and functions used in configuring unregulated payphone operations provided by PSPs or LECs. Some of the LECs use terms such as tariffed "options" and "elective features" for network services that others LECs call features and functions. The Clarification Order concluded that "[o]ptions and elective features must be federally tariffed in the same circumstances as features and functions must be federally tariffed, depending on whether they are provided on a bundled basis with the basic network payphone line (state tariff), or separately on an unbundled basis (federal and state tariffs). *Id.* (citing Application of Open Network and Nondiscrimination Safeguards to GTE Corporation, 11 FCC Rcd 5558 (1995)).

⁵² Payphone Order, at para. 148.

ONA request process, a BOC is not obligated to unbundle additional services in a state unless the state requires it do so.⁵³

2. Interface Functionality

19. The interface functionality requirement obligates the BOC to make available standardized hardware and software interfaces that are able to support transmission, switching, and signaling functions identical to those used by the BOC's payphone service.⁵⁴

20. Ameritech represents that, in all cases, its pay telephone services and the competing services of other PSPs will obtain access to the public switched telephone network through identical standard network interfaces. The interface for the Coin Line service is publicly available and was included as an attachment to Ameritech's CEI plan. Ameritech represents that no special interfaces, signaling, abbreviated dialing, derived channels or other capabilities will be made available to Ameritech's payphone services.⁵⁵ We find that Ameritech complies with the interface functionality requirement.

3. Resale

21. The resale requirement established in Computer III obligates a "carrier's enhanced service operations to take the basic services used in its enhanced service offerings at their unbundled tariffed rates as a means of preventing improper cost-shifting to regulated operations and anticompetitive pricing in unregulated markets."⁵⁶ Based on the requirement in the Payphone Order and the Reconsideration Order, any basic services provided by a BOC to its payphone affiliate, as well as any payphone service provided to others, must be available on a nondiscriminatory basis to other payphone providers.⁵⁷

22. Ameritech represents that its payphone service operations will obtain all needed underlying basic services at tariffed rates in each of the jurisdictions currently served by Ameritech, and on the same terms and conditions as are available to unaffiliated PSPs.⁵⁸ We find that Ameritech has met the resale requirement.

⁵³ Payphone Order, at para. 148.

⁵⁴ Id., at paras. 202-03; Phase I Order, 104 FCC 2d at 1039, para. 157.

⁵⁵ Payphone CEI Plan at 3-4.

⁵⁶ Phase I Order, 104 FCC 2d at 1040, para. 159.

⁵⁷ Payphone Order, at para. 200; Reconsideration Order, at para. 211.

⁵⁸ Payphone CEI Plan at 7.

4. Technical Characteristics

23. This requirement obligates a carrier to provide basic services with technical characteristics that are equal to the technical characteristics the carrier uses for its own payphone services.⁵⁹

24. Ameritech's CEI plan provides that its payphone services will interconnect with Ameritech's basic services through existing standard network interfaces. Ameritech represents that this interface will support the identical transmission, switching and signaling functions for the payphone services of Ameritech and for unaffiliated PSPs. According to the plan, the technical characteristics of the underlying interface used by Ameritech's payphone operations and by unaffiliated PSP operations will be identical in their transmission parameters, quality, reliability and other relevant characteristics. Finally, Ameritech represents that, as it does with respect to the provision of enhanced services, Ameritech will file an annual affidavit attesting that appropriate procedures have been followed by Ameritech personnel, and that there has been no discrimination based on the identity of the customer.⁶⁰ We find that Ameritech's CEI plan comports with the technical characteristics requirement established by the Commission.

5. Installation, Maintenance, and Repair

25. The Payphone Order requires BOCs to describe in their CEI plans how they will comply with the nondiscrimination requirements in Computer III and ONA regarding the quality of service, installation, and maintenance.⁶¹ This requirement ensures that the time periods for installation, maintenance, and repair of the basic services and facilities included in a CEI offering to unaffiliated PSPs are the same as those the carrier provides to its own or its affiliated payphone service operations.⁶² Carriers also must satisfy reporting and other requirements showing that they have met this requirement.⁶³

26. Ameritech represents that its installation, maintenance and repair procedures will be reconfigured to avoid discrimination among payphone service providers using

⁵⁹ Payphone Order, at paras. 199-207; Reconsideration Order, at 218-220; and Phase I Order, 104 FCC 2d at 1041, para. 160.

⁶⁰ Payphone CEI Plan at 7-8.

⁶¹ Payphone Order, at para. 207.

⁶² Payphone Order at para. 203; Phase I Order, 104 FCC 2d at 1041, para. 161.

⁶³ U S WEST must provide quarterly reports on installation and maintenance of its basic services. Phase I Order, at 1055-1056, paras. 192-193. The Payphone Order does not impose any new continuing reporting requirement because BOCs are already subject to reporting requirements pursuant to Computer III and ONA. BOCs must report on payphone services as they do for basic services.

Ameritech's Coin Line or COPT service. It represents that work associated with the basic network services used in Ameritech's provision of Coin Line service currently performed by Ameritech payphone technicians will be transferred to Ameritech network technicians.⁶⁴ Telephone set repair will be performed by Ameritech payphone technicians. In other words, there will be no sharing of maintenance personnel between Ameritech's network operation and its payphone operations. Installation and maintenance of basic services will thus be performed in the same way for Ameritech's payphone operations and for unaffiliated PSPs.⁶⁵

27. Ameritech further represents that installation orders will be processed in the same way for its payphone operations and for unaffiliated PSPs. It states that repair requests relating to its Coin Line service will be sent to Ameritech's "Network Loop Maintenance Operating System" (LMOS) via an electronic interface. Ameritech represents that this electronic interface will be available to unaffiliated PSPs at the same time that it is available to Ameritech's payphone operations. The CEI plan states that the commitment dates and times for repair will be set on all lines on a nondiscriminatory basis, and repair work will be dispatched to Ameritech's network personnel on a nondiscriminatory basis.⁶⁶ Network personnel will work only on the network side of the telephone line, and they will be instructed that it is Ameritech's policy not to discriminate on the basis of the customer of the service. Ameritech represents that the practices followed by Ameritech are sufficiently automated to make any systematic discrimination in the installation, maintenance or repair difficult and unlikely. Ameritech avers that it will file quarterly reports demonstrating that no discrimination has, in fact, occurred.⁶⁷ Finally, Ameritech notes that all unaffiliated PSPs that utilize Ameritech's basic services are provided with a handbook that details Ameritech's service order processing, installation, and repair procedures.⁶⁸

28. APCC argues that Ameritech should be required to file and incorporate into its CEI plan its payphone providers handbook. Although APCC commends Ameritech's plan not to share its installation, maintenance and repair network personnel with its payphone operations, APCC argues that approval of Ameritech's CEI plan should be explicitly conditioned on Ameritech's commitment not to share personnel in this area.⁶⁹ Finally, APCC contends that, while Ameritech has committed to having its network personnel work only on the network side of the interface with payphone set equipment, the plan does not state how

⁶⁴ Payphone CEI Plan at 9.

⁶⁵ Id. at 9-10.

⁶⁶ Id. at 10-11.

⁶⁷ Id.

⁶⁸ Id. at 9.

⁶⁹ APCC Comments at 13.

maintenance and repair will be handled for the installed base of equipment where no interface has yet been installed. It asserts that Ameritech must identify the demarcation point where no interface has been installed in order to determine at what point wire maintenance should be charged separately to Ameritech's payphone operations as "inside wire" maintenance and at what point wire maintenance may be included as part of the tariffed access service.⁷⁰

29. In response to APCC's request that Ameritech file a copy of its payphone providers handbook, Ameritech included a copy with its reply.⁷¹ As to APCC's concern about the location of the demarcation point, Ameritech represents that the demarcation point on its coin lines provided to Ameritech's payphone operations and to unaffiliated PSPs will be established at the protector. If a building is involved, Ameritech represents that this will be the point at which the line enters the building. Ameritech states that this demarcation point is consistent with the point established on COPTS lines.⁷²

30. We find that Ameritech has met the installation, maintenance and repair requirement. We conclude that it has addressed the issues raised in the record concerning the identification of the demarcation point. Ameritech has identified the demarcation point as the protector, and represented that the demarcation point is the same for both COPTS and Coin Line service, whether taken by Ameritech's payphone operations or by an unaffiliated PSP. Ameritech has filed a copy of its handbook to payphone service providers, as requested by APCC. Although Ameritech did not expressly incorporate that handbook into its CEI plan, Ameritech has an affirmative obligation to ensure that its installation, repair and maintenance services are provided on a nondiscriminatory basis to affiliated and unaffiliated PSPs. Finally, we reject APCC's request that we condition approval on Ameritech's commitment not to share personnel. Although Ameritech has represented it will not share personnel, Ameritech is not required by either our CEI rules or the payphone orders to have separate personnel, and we find no basis for conditioning approval of Ameritech's plan on such a requirement.

6. End User Access

31. With regard to payphone services, this parameter requires the BOC to provide to all end users the same network capabilities to activate or obtain access to payphone services that utilize the BOC's facilities. This parameter also requires the BOC to provide all end users equal opportunities to obtain access to basic network facilities.⁷³

⁷⁰ APCC Comments at 14.

⁷¹ Ameritech Reply Comments Attachment B.

⁷² Ameritech Reply Comments at 12.

⁷³ See Phase I Order, 104 FCC 2d at 1041, para. 162; Payphone Order, at para. 199.

32. Ameritech represents that the operational characteristics of the basic services available to end users of unaffiliated PSP payphones will be the same as those for end users of Ameritech's payphone operations. Ameritech represents that the basic services available to its payphone operations will utilize no unique abbreviated dialing or signaling arrangements, and no special derived channel access arrangements.⁷⁴ We find that Ameritech's CEI plan comports with the end-user access requirement established by the Commission.

7. CEI Availability

33. This requirement obligates a carrier's CEI offering to be available and fully operational on the date that it offers its corresponding payphone service to the public. The requirement also obligates the carrier to provide a reasonable time prior to that date when prospective users of the CEI offering can use the CEI facilities and services for purposes of testing their payphone service offerings.⁷⁵ Past decisions also have referred to this as the 90-day notice requirement.⁷⁶

34. The payphone rulemaking proceeding established the following tariffing requirements for LECs. LECs must file tariffs in the states for basic payphone services that enable independent PSPs to offer payphone services using either smart or dumb payphones and for any unbundled features that the LECs provide to their payphone operations or to others.⁷⁷ LECs are not required to file FCC tariffs for the basic payphone line for smart and dumb payphones.⁷⁸ As stated in the Clarification Order, LECs are required to file federal and state tariffs for payphone-specific, network-based features and functions "only if the LEC provides them separately and on an unbundled basis from the basic payphone line, either to their own operations or to others. . . ."⁷⁹

⁷⁴ Payphone CEI Plan at 12.

⁷⁵ Phase I Order, 104 FCC 2d at 1041, para. 163. The testing period is necessary "to balance the conflicting interests of the carrier, which should have a reasonable period to develop, test, and 'de-bug' its CEI offerings before making them publicly available, and other CEI users, such as competitors, that might suffer an unfair competitive disadvantage if carriers were able to test and perfect their . . . services -- particularly, their interconnection with the basic underlying facilities -- while withholding those same basic facilities from others." Id.

⁷⁶ See e.g., Bell Operating Companies' Joint Petition for Waiver of Computer II Rules, Ameritech's Request for Waiver Related to Minor Amendment to Ameritech's Plan to Provide Comparable Efficient Interconnection to Providers of Voice Mail Messaging Service, CCBPol 96-23, Order, DA 96-1894 (rel. Nov. 14, 1996) (Ameritech Minor Amendments).

⁷⁷ See Clarification Order, at para. 8.

⁷⁸ Reconsideration Order, at paras. 162-163.

⁷⁹ Clarification Order, at para. 18. See also, Reconsideration Order, at para. 163.

35. The Clarification Order also granted all LECs a limited waiver of the federal tariffing requirements for unbundled features and functions that a LEC must meet before it is eligible to receive payphone compensation. Pursuant to this waiver, LECs must file interstate tariffs for unbundled features and functions within 45 days of the release date of the Clarification Order, with a scheduled effective date of no later than 15 days after the date the tariff is filed.⁸⁰ In addition, each BOC was required to file, by April 10, 1997, a written ex parte document that advises the Commission on the status of intrastate tariffs for the features and functions that it has not yet federally tariffed, and stating that it commits to filing federal tariffs for such features and functions within 45 days of the release date of the Order.⁸¹

36. Ameritech represents that it currently provides payphone services using basic services and basic functionalities that are also available to other unaffiliated PSPs on the same terms and conditions. It represents further that Ameritech's affiliated payphone operations will obtain all such basic services and basic functionalities at the same rates as those paid by unaffiliated payphone service providers for the same services and functionalities. Ameritech concludes that, when other unbundled basic functionalities are provided to unaffiliated PSPs, Ameritech will provide them with a 90-day testing period, as required by the Commission's rules for enhanced services, before Ameritech's payphone operations will begin using these new basic services.⁸²

37. In an ex parte filing, Ameritech represents that its COPTS and Coin Line service are tariffed in each of the states in its service territory and that it has filed state and federal tariffs for the following network-based and payphone specific features and functions offered to PSPs: 900/976 Blocking; IDDD blocking; outgoing only; restricted coin access;⁸³ answer supervision; call screening; and directory assistance. Ameritech avers that it has filed tariffs for its ProfitMaster service in Illinois and Michigan only.⁸⁴ Ameritech represents that it has had an effective COPTS payphone tariff in all of its states for over ten years, and that it has had an effective coin line tariff in all of its states since September, 1996.⁸⁵ In its April 10 ex parte filing, Ameritech committed to filing a federal tariff for ProfitMaster and identified two further features that are available under federal tariff -- billed number screening and originating line screening.⁸⁶

⁸⁰ Clarification Order at paras. 21.

⁸¹ Id. at para. 22.

⁸² Payphone CEI Plan at 12-13.

⁸³ This feature is available only with the coin line. Ameritech Ex Parte at 4-5.

⁸⁴ Id.

⁸⁵ Id. at 8.

⁸⁶ April 10 ex parte.

38. APCC contends that the CEI plan must be rejected because Ameritech did not file the required federal tariffs. It contends that, pursuant to the Reconsideration Order, Ameritech must file tariffs for unbundled features, such as call rating and coin control, at both the state and federal level, and that the only service for which a federal tariff is not required is the basic line for smart and dumb payphones.⁸⁷ APCC argues that all basic payphone services and features other than the access line must be federally tariffed.⁸⁸ APCC concludes that, because Ameritech did not file a federal tariff for the coin supervision and other features of its coin line service, the CEI plan must be rejected. APCC also claims that the federal tariffs that Ameritech has filed for answer supervision and call screening are insufficient because, under those tariffs, those features are only available with "Feature Group A Service."⁸⁹ Great Lakes argues that Ameritech has failed to file federal tariffs for "network access services" to be used by payphone operations, and that it has failed to file the requisite cost support information. Great Lakes contends that Ameritech must file cost support with the Commission demonstrating that Ameritech is longer cross subsidizing its payphone operations and that Ameritech is not charging excessive rates for its access services. Great Lakes maintains that the Commission cannot approve Ameritech's CEI plan without this cost support.⁹⁰

39. APCC notes that Ameritech's coin line tariff provides that coin line service "is available only from appropriately equipped central offices." According to APCC, Ameritech must, therefore, be required to disclose where coin line service is not available and whether Ameritech has any payphones currently installed in those areas.⁹¹ AT&T argues that, at a minimum, Ameritech's CEI plan must be amended to clarify that coin line service will be available to independent payphone service providers at every central office where such service is provided to Ameritech's payphone service affiliate, and to reflect such conditions of availability in its tariffs.⁹² APCC further argues that Ameritech must identify in its CEI plan how many of its payphones in each jurisdiction use COPT service and how many use Coin Line service. APCC contends that this information is needed to ensure nondiscrimination and that subsidies have been eliminated.⁹³

⁸⁷ APCC Comments at 4-5.

⁸⁸ APCC Comments at 5.

⁸⁹ Letter from Albert Kramer, counsel for APCC, to William Caton, Acting Secretary, Federal Communications Commission (March 27, 1997) at 4 n.7.

⁹⁰ Great Lakes Comments at 9, 11-12.

⁹¹ APCC Comments at 9.

⁹² AT&T Comments at 3-4.

⁹³ APCC Comments at 3-4.

40. Great Lakes argues that Ameritech must make available throughout its five-state region a central office coin line service called "ProfitMaster" which Ameritech now offers on a limited basis to subscribers of its COPT service. Great Lakes contends that this service cures the alleged discriminatory nature of Ameritech's coin line offering because ProfitMaster allows PSPs to set their own coin rates, select the intraLATA carrier and to obtain "true answer supervision."⁹⁴ Great Lakes also maintains that Ameritech must provide cost support to show that the rate for this service is cost based.⁹⁵

41. Ameritech responds that the payphone orders did not require the BOCs to file tariffs or cost support with the Commission for the Ameritech's Coin Line or COPTS service. It maintains that the Commission only required those tariffs to be filed with the states.⁹⁶ As to APCC's argument that Ameritech identify where its coin line service is available, Ameritech responds that its Coin Line service is available to unaffiliated PSPs in all five Ameritech states in all central offices in which Ameritech is itself utilizing a coin line to provide payphone services.⁹⁷ Furthermore, as noted, Ameritech committed to filing a federal tariff for ProfitMaster within 45 days of the release of the Clarification Order.⁹⁸ Ameritech also represented in its April 10 ex parte that, within 45 days of the Clarification Order, it will submit a modification to its federal tariff for answer supervision to clarify that this feature is not limited to Feature Group A.⁹⁹ Ameritech represented in an ex parte filed on April 14, 1997, that it would similarly modify its federal tariff for call screening.¹⁰⁰

42. We find that Ameritech's plan, as supplemented by Ameritech's ex parte filings, complies with the CEI availability requirement.¹⁰¹ We reject APCC's argument that Ameritech must file a federal tariff for all payphone service features and functions except for

⁹⁴ Great Lakes Comments at 18-19.

⁹⁵ Id. at 19.

⁹⁶ Ameritech Reply Comments at 6.

⁹⁷ Ameritech Reply Comments at 7.

⁹⁸ April 10 ex parte at 2.

⁹⁹ Id.

¹⁰⁰ Letter from Celia Nogales, Dir. Federal Relations, to William F. Caton, Acting Secretary, Federal Communications Commission, dated April 14, 1997 (April 14 ex parte).

¹⁰¹ See We note that our conclusion that Ameritech's CEI plan complies with the CEI availability requirement, and therefore our approval of its CEI plan, is contingent on the effectiveness of Ameritech's state tariffs for payphone services. We note further that, because we are relying on the states to review LEC tariffs for basic payphone lines, our conclusion that Ameritech has satisfied the CEI availability requirement does not represent a determination that Ameritech's basic payphone lines are tariffed in accordance with the requirements of section 276.

the basic access line for COPTS and Coin Line service. As stated in the Clarification Order, BOCs need only submit federal tariffs for payphone-specific, network-based features and functions if the BOC provides them separately and on an unbundled basis from the basic payphone line, either to its payphone operations or to others.¹⁰² Because Ameritech will use, and offer, its Coin Line service, including all of the features and functions provided with Coin Line service, as a package, Ameritech need not unbundle or tariff the features and functions included in that package. Moreover, Ameritech has filed federal tariffs for optional services such as answer supervision and call screening. As to APCC's argument that the federal tariffs for answer supervision and call screening are too restrictive because they are offered in conjunction with Feature Group A, Ameritech has committed to removing that restriction.¹⁰³

43. We reject Great Lake's argument that the plan is insufficient because Ameritech did not file federal tariffs and cost support for its coin line and COPTS service lines. As reiterated in the Clarification Order, LECs are required to tariff basic payphone lines at the state level only.¹⁰⁴ Ameritech was thus not required to file federal tariffs for those payphone lines or to file cost support with the Commission. We also conclude that Ameritech is not required in its CEI plan to identify specific geographic areas where Coin Line service is not available or to specify whether Ameritech has any payphones in such areas or what type of service, coin line or COPTS, is being provided. We find no basis in our CEI requirements or the payphone orders for directing Ameritech to identify how many of its payphones use Coin Line service and how many use COPT service. Moreover, Ameritech has represented that it only will use the Coin Line service initially, and indicated that this service will be available to PSPs wherever it is available to Ameritech's payphone operations.¹⁰⁵

8. Minimization of Transport Costs

44. This requirement obligates carriers to provide competitors with interconnection facilities that minimize transport costs.¹⁰⁶ Ameritech represents that interconnection to all facilities used by Ameritech to provide the basic services which underlie its payphone service is, and will continue to be, provided under tariffed arrangements and are thus available at the same rates, and on the same terms and conditions, to both affiliated and unaffiliated PSPs. It represents further that, as other interconnection configurations and serving arrangements are requested and/or become technically feasible, Ameritech will work in good faith with other

¹⁰² Clarification Order, at para. 18.

¹⁰³ April 10 ex parte at 2; April 14 ex parte.

¹⁰⁴ Clarification Order, at para. 24.

¹⁰⁵ See CEI Payphone Plan at 3-5.

¹⁰⁶ Payphone Order, at paras. 202-03; Phase I Order, 104 FCC 2d at 1042, para. 164.

service providers to develop and implement techniques that minimize transport costs.¹⁰⁷ We find that Ameritech's CEI plan complies with the minimization of transport costs requirement.

9. Recipients of CEI

45. This requirement prohibits a BOC from restricting the availability of its CEI offering to any particular class of customer or PSP.¹⁰⁸

46. Ameritech represents that the availability of the basic services and basic service functions which underlie Ameritech's payphone service is not limited to any particular class of customer.¹⁰⁹ We find that Ameritech has proposed to provide service to CEI recipients in compliance with the Commission's requirements.

B. Other Nonstructural Safeguards

47. In addition to the CEI requirements established in Computer III, and applied to BOC provision of payphone services in the Payphone Order,¹¹⁰ a BOC that provides payphone services must comply with requirements regarding the use of customer proprietary network information (CPNI), disclosure of network information, and nondiscrimination reporting.¹¹¹

1. Customer Proprietary Network Information

48. The Payphone Order requires Ameritech to explain how it will comply with the Computer III CPNI safeguards,¹¹² to the extent they are not inconsistent with section 222 of the Communications Act, as amended.¹¹³ Although the requirements of section 222 became effective immediately upon enactment, the Commission has initiated a proceeding to consider regulations interpreting and specifying in more detail a telecommunications carrier's obligations under this provision.¹¹⁴ The Commission has concluded that its existing CPNI

¹⁰⁷ Payphone CEI Plan at 13-14.

¹⁰⁸ Payphone Order, at paras. 202-03; Phase I Order, 104 FCC 2d at 1042, para. 165.

¹⁰⁹ Payphone CEI Plan at 14.

¹¹⁰ Payphone Order, at para. 202; Reconsideration Order, at para. 210.

¹¹¹ Phase II Order, 2 FCC Rcd at 3082, paras. 73-75.

¹¹² See Phase II Order, 2 FCC Rcd at 3095, para. 156.

¹¹³ Payphone Order, at para. 205 (citing 47 U.S.C. § 222 and the CPNI NPRM).

¹¹⁴ CPNI NPRM, 11 FCC Rcd at 12514.

regulations remain in effect, pending completion of the CPNI rulemaking, to the extent they do not conflict with section 222.¹¹⁵

49. In its CEI plan, Ameritech represents that its payphone personnel "will be 'mechanically blocked' from access to CPNI associated with other customer lines contained in databases maintained by Ameritech regulated operations," and that access to such information will "be limited via a password driven security table."¹¹⁶ Ameritech also represents that it will continue to comply with "carriers' specific obligations in connection with the 1996 Act's CPNI requirements . . . as they evolve and become more specific."¹¹⁷

50. In providing payphone services, Ameritech must comply with the Commission's pre-existing Computer III CPNI requirements to the extent that they are consistent with section 222 of the Communications Act, as amended, and any regulations adopted by the Commission pursuant to section 222. Ameritech represents that it will continue to comply with the Commission's CPNI requirements. Accordingly, we find that Ameritech's plan comports with CPNI requirements.

2. Network Information Disclosure

51. The Payphone Order requires Ameritech to disclose to the payphone services industry information about network changes and new network services that affect the interconnection of payphone services with the network.¹¹⁸ Ameritech must make that disclosure at the "make/buy" point, that is, when Ameritech decides whether to make or to procure from an unaffiliated entity any product whose design affects or relies on the network interface.¹¹⁹ Ameritech must provide that information to members of the payphone services industry that sign a nondisclosure agreement within 30 days after the execution of the nondisclosure agreement.¹²⁰ Ameritech also must publicly disclose technical information

¹¹⁵ Id. at 12515. (noting that, to the extent that the 1996 Act requires more of a carrier, or imposes greater restrictions on a carrier's use of CPNI, the statute governs).

¹¹⁶ Payphone CEI Plan at 15. Ameritech adds that personnel associated with its payphone operations will be permitted access to data concerning the use of the lines to which it subscribes on the same terms and conditions that such information is available to other pay telephone service providers concerning the use of the lines to which they subscribe. Id.

¹¹⁷ Id.

¹¹⁸ Payphone Order, at para. 206.

¹¹⁹ Phase II Order, 2 FCC Rcd at 3086, para. 102.

¹²⁰ Phase II Order, at 3091-3093, paras. 134-140.

about a new or modified network service twelve months prior to the introduction of that service.¹²¹

52. In the Payphone Order, the Commission waived the notice period for the disclosure of network information relating to "basic network payphone services" in order to ensure that payphone services are provided on a timely basis consistent with the other deregulatory requirements of that order.¹²² Pursuant to this waiver, network information disclosure on the basic network payphone services must have been made by the BOCs no later than January 15, 1997.¹²³

53. In its plan, Ameritech contends that no changes to existing network interface specifications or publication of any new interfaces is required at this time, because interconnection between pay telephone services and the underlying basic services is accomplished in all cases through existing, published standard network interfaces.¹²⁴ Ameritech represents that, as network changes are implemented by Ameritech for use in the provision of payphone services, it will adhere fully to the Commission's network disclosure requirements related to enhanced services and CPE, as well as all related network disclosure requirements imposed on incumbent LECs in the Commission's proceeding to implement the interconnection requirements of the 1996 Act.¹²⁵ Consistent with the requirements of the Payphone Order, Ameritech made network disclosures in connection with its payphone services on December 16, 1996.¹²⁶ We find that Ameritech's CEI plan comports with the Commission's network information disclosure requirements.

3. Nondiscrimination Reporting

54. In the Payphone Order, the Commission directed the BOCs to comply with the Computer III and ONA requirements regarding nondiscrimination in the quality of service, installation, and maintenance.¹²⁷ Specifically, BOCs are required to file the same quarterly

¹²¹ Id. at 3092, para. 136. We note that, under the Commission's rules, if a BOC is able to introduce the service within twelve months of the make/buy point, however, it may make public disclosure at the make/buy point. It may not, however, introduce the service earlier than six months after the public disclosure.

¹²² Payphone Order, at para. 146.

¹²³ See id.

¹²⁴ Payphone CEI Plan at 16.

¹²⁵ Id.

¹²⁶ See Letter from Michael S. Pabian, Counsel, Ameritech, to William F. Caton, Acting Secretary, Federal Communications Commission (Dec. 16, 1996).

¹²⁷ Payphone Order, at para. 207.

nondiscrimination reports, and annual and semi-annual ONA reports, with respect to their basic payphone services that they file for other basic services to ensure that the BOCs fulfill the commitment made in their CEI plans with respect to nondiscriminatory provision of covered service offerings, installation and maintenance.¹²⁸

55. Ameritech's represents that it will track and report on a quarterly basis the installation and maintenance intervals for basic pay telephone services provided to its affiliated pay telephone service operations, and compare these intervals to those experienced by all of Ameritech's nonaffiliated customers.¹²⁹ Ameritech further represents that, because no additional payphone-related reporting requirements, beyond the existing Computer III and ONA-related requirements, were imposed on the BOCs, Ameritech "will continue to submit reports in those contexts and formats."¹³⁰ Ameritech also submitted a sample report.¹³¹ We find that Ameritech's CEI plan comports with the Commission's nondiscrimination reporting requirements.

C. Accounting Safeguards

56. In the Payphone Order and the Accounting Safeguards Order, the Commission concluded that it should apply accounting safeguards identical to those adopted in Computer III to BOCs providing payphone service on an integrated basis.¹³² Pursuant to Computer III, the BOCs must adhere to certain accounting procedures to protect ratepayers from bearing misallocated costs. These safeguards consist of five principal elements: 1) the establishment of effective accounting procedures, in accordance with the Commission's Part 32 Uniform System of Accounts requirements and affiliate transactions rules, as well as the Commission's Part 64 cost allocation standards; 2) the filing of cost allocation manuals (CAMs) reflecting the accounting rules and cost allocation standards adopted by the BOC; 3) mandatory audits of carrier cost allocations by independent auditors, who must state affirmatively whether the audited carriers' allocations comply with their cost allocation manuals; 4) the establishment of detailed reporting requirements and the development of an automated system to store and

¹²⁸ See Payphone Order, at para. 207; BOC ONA Reconsideration Order, 5 FCC Rcd 3084, 3096, Appendix B (1990), BOC ONA Amendment Order, 5 FCC Rcd 3103 (1990), Erratum, 5 FCC Rcd 4045, pets. for review denied, California II, 4 F.3d 1505 (9th Cir. 1993), recon., 8 FCC Rcd 7646 (1991), BOC ONA Second Further Amendment Order, 8 FCC Rcd 2606 (1993), pet. for review denied, California II, 4 F.3d 1505 (9th Cir. 1993); and Phase II Order, 2 FCC Rcd at 3082, para. 73.

¹²⁹ Payphone CEI Plan at 17.

¹³⁰ Id.

¹³¹ Payphone CEI Plan, Attachment D.

¹³² Payphone Order, at paras. 157, 199, 201; Accounting Safeguards Order, at para. 100.

analyze the data; and 5) the performance of on-site audits by Commission staff.¹³³ Ameritech must comply with these accounting safeguards. We note that the approval granted to Ameritech in this order is contingent upon the CAM amendments associated with Ameritech's provision of payphone service going into effect.

D. Other Issues

1. Sufficiency

57. APCC generally asserts that Ameritech's CEI plan insufficiently describes how Ameritech intends to comply with the CEI requirements; therefore, APCC requests that the Commission require Ameritech to provide more information.¹³⁴ As discussed above, however, we find that Ameritech has demonstrated its compliance with each of the required parameters.

2. Screening Codes

58. APCC and AT&T contend that Ameritech is required, pursuant to the Reconsideration Order, to provide PSPs using COCOT lines with screening code digits that uniquely identify their lines as payphone lines.¹³⁵ APCC asserts that if Ameritech transmits a unique screening code only on its coin lines, which are primarily used only by Ameritech's own payphone division, and not on its COCOT lines, which are primarily used by PSPs, Ameritech is discriminating in favor its payphone division by providing it a great advantage in the collection of per-call compensation from IXCs.¹³⁶ In contrast, Great Lakes contends that it has "no objection" to Ameritech transmitting a unique screening code only on its coin line service as long as both Ameritech payphones and independent PSPs are provided with the same screening code when they subscribe to the same service.¹³⁷

59. In reply, Ameritech asserts that for all coin lines, including those used by Ameritech, it will transmit ANI "27" digits and for all COCOT lines, including those used by

¹³³ BOC Safeguards Order, 6 FCC Rcd at 7591, para. 46.

¹³⁴ APCC at i.

¹³⁵ APCC at 16-17; APCC Reply at 5; AT&T at 5-6; AT&T Reply 4-5. Screening code digits allow interexchange carriers (IXCs) to track payphone calls for the purpose of paying per-call compensation to LECs. As APCC states, "[w]ith a unique screening code, the IXC knows immediately that a call is compensable, and should not have to take any further steps in order to calculate the compensation due for each particular ANI invoiced by an [independent PSP]. APCC at 16-17.

¹³⁶ Id. at 17; see also AT&T at 6 (contending that whatever codes Ameritech chooses to use, those codes should be transmitted for both COCOT and coin line services in order to prevent discrimination between users of different services).

¹³⁷ Great Lakes at 21.

Ameritech, it will provide ANI "07" digits. Ameritech explains that a screening code discretely identifying its COCOT line as a payphone will be provided to IXCs through the use of Flex ANI.¹³⁸

60. We find that the issue of whether Ameritech is providing screening information in compliance with the requirements established in the payphone rulemaking proceeding to be outside the scope of the CEI review process and is more appropriately raised that proceeding or in other proceedings.¹³⁹

3. Numbering Assignments

61. According to APCC, the Payphone Order requires LECs assign line numbers to payphones on a nondiscriminatory basis.¹⁴⁰ It contends that Ameritech's CEI plan is deficient in that it does not describe its number assignment policy or how that policy is applied to Ameritech's payphone division and other PSPs.¹⁴¹ In reply, Ameritech asserts that it assigns new payphone numbers randomly to both its own payphone operations and to independent PSPs. Ameritech contends that it does not reserve special blocks of numbers for Ameritech's payphone services.¹⁴²

62. We agree with APCC that the Payphone Order requires LECs to provide numbering assignments on a nondiscriminatory basis.¹⁴³ As stated above, Ameritech represents that it presently assigns payphone numbers on a nondiscriminatory basis. We, therefore, conclude that no further showing is required by Ameritech in the context of this CEI plan.

¹³⁸ Ameritech Reply at 13.

¹³⁹ See e.g., Policy and Rules Concerning Operator Service Access and Pay Telephone Compensation, CC Docket No. 91-35, CCB/CPD File Nos. 96-18, 96-25, and 96-32, Memorandum Opinion and Order, DA 96-2169 (Com. Car. Bur. rel. Dec. 20, 1996) at 2 n. 7 (citing MCI petition for clarification of LECs' obligation to provide screening code digits and stating that MCI's petition would be addressed in a subsequent order). We note that in its Reconsideration Order, the Commission stated that, once per-call compensation becomes effective, "[e]ach payphone must transmit coding digits that specifically identify it as a payphone, and not merely as a restricted line." Reconsideration Order, at para. 64. That order further required that "all LECs must make available to PSPs, on a tariffed basis, such coding digits as part of the ANI for each payphone." Id.

¹⁴⁰ APCC at 14 (citing Payphone Order at para. 149).

¹⁴¹ Id. at 18-19.

¹⁴² Ameritech Reply at 13.

¹⁴³ Payphone Order at para. 149.